

## Message Text

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PAGE 01 STATE 096523  
ORIGIN AF-10

INFO OCT-01 ISO-00 H-02 EB-08 XMB-04 L-03 SSO-00 SS-15  
NSCE-00 INRE-00 ICAE-00 AID-05 CIAE-00 COME-00  
FRB-01 INR-10 NSAE-00 TRSE-00 OPIC-06 SP-02  
LAB-04 SIL-01 OMB-01 EUR-12 /085 R

DRAFTED BY AF/S:WEATON  
APPROVED BY AF/S:DKEOGH  
H:EGLANPHER  
EB/ODF:TPARKER

-----020362 142109Z /62

O 142048Z APR 78  
FM SECSTATE WASHDC  
TO AMCONSUL CAPE TOWN IMMEDIATE  
INFO AMCONSUL DURBAN IMMEDIATE  
AMCONSUL JOHANNESBURG  
AMEMBASSY PRETORIA

UNCLAS STATE 096523

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652:NA

TAGS: ETRD, BEXP,SF,US

SUBJECT: NEAL SUBCOMMITTEE VOTES EXIMBANK PROHIBITION  
ON SOUTH AFRICA

1. MARKING UP THE EXIMBANK REAUTHORIZATION BILL ON  
APRIL 13, THE SUBCOMMITTEE ON INTERNATIONAL TRADE,  
INVESTMENT, AND MONETARY POLICY OF THE HOUSE COMMITTEE  
ON BANKING, CURRENCY AND HOUSING ADOPTED BY A VOTE OF  
10-5 AN AMENDMENT INTRODUCED BY CONGRESSMAN TSONGAS  
WHICH WOULD PROHIBIT USE OF EXIMBANK FACILITIES FOR  
TRADE WITH SOUTH AFRICA UNLESS THE PRESIDENT DETERMINED  
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PAGE 02 STATE 096523

THAT SOUTH AFRICA HAS MADE SIGNIFICANT PROGRESS TOWARD  
MAJORITY RULE. THE OPERATIVE LANGUAGE OF THE  
AMENDMENT READS AS FOLLOWS: QUOTE: IN NO EVENT SHALL THE  
BANK GUARANTEE, INSURE, OR EXTEND CREDIT OR PARTICIPATE  
IN ANY EXTENSION OF CREDIT TO THE REPUBLIC OF SOUTH  
AFRICA UNLESS AND UNTIL THE PRESIDENT DETERMINES THAT  
SIGNIFICANT PROGRESS TOWARD MAJORITY RULE HAS BEEN MADE

IN THE REPUBLIC OF SOUTH AFRICA AND TRANSMITS TO THE CONGRESS A STATEMENT DESCRIBING AND EXPLAINING THE DETERMINATION. UNQUOTE.

2. SUBCOMMITTEE CHAIRMAN NEAL VOTED WITH THE MAJORITY, INCREASING ALREADY GOOD PROSPECTS THAT AMENDMENT WILL BE ACCEPTED BY FULL COMMITTEE WHEN IT CONSIDERS MATTER IN NEXT WEEK OR TWO AND ULTIMATELY BY THE FULL HOUSE.

3. FOLLOWING IS PRESS GUIDANCE PREPARED FOR DEPARTMENT PRESS BRIEFING:

Q. DOES THE DEPARTMENT HAVE ANY COMMENT ON THE HOUSE BANKING SUBCOMMITTEE ACTION YESTERDAY VOTING TO PROHIBIT EXIMBANK ACTIVITIES IN SOUTH AFRICA UNLESS THE PRESIDENT INFORMS CONGRESS THAT SOUTHAFRICA IS MAKING SIGNIFICANT PROGRESS TOWARD MAJORITY RULE?

A. THE DEPARTMENT OF STATE UNDERSTANDS AND SHARES THE CONCERNS WHICH HAS MOTIVATED CONGRESSMAN TSONGAS TO INTRODUCE THIS AMENDMENT WHICH HAS BEEN ACCEPTED BY THE NEAL SUBCOMMITTEE. WE ARE ALSO CONCERNED BY THE FAILURE OF THE SOUTH AFRICAN GOVERNMENT TO END DISCRIMINATION AND TO MOVE IN THE DIRECTION OF FUNDAMENTAL POLICY CHANGES, INCLUDING PERMITTING THE FULL POLITICAL PARTICIPATION OF ALL SOUTH AFRICANS IN THE AFFAIRS OF UNCLASSIFIED

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PAGE 03 STATE 096523

THEIR COUNTRY. WE HAVE CONVEYED OUR CONCERN OVER THE TREND OF DEVELOPMENTS IN SOUTH AFRICA BY TAKING SEVERAL CAREFULLY MEASURED ACTIONS, INCLUDING SUPPORT FOR THE UN MANDATORY ARMS EMBARGO AND UNILATERALLY PROHIBITING THE EXPORT OF ALL ITEMS DESTINED FOR SALE TO OR USE BY THE SOUTH AFRICAN MILITARY AND POLICE.

WE ARE CURRENTLY REVIEWING CERTAIN ELEMENTS OF OUR ECONOMIC AND COMMERCIAL RELATIONSHIPS WITH SOUTH AFRICA. PROHIBITION OF EXIMBANK FACILITIES FOR TRADE WITH SOUTH AFRICA IS A POLICY OPTION. HOWEVER, WE WOULD PREFER TO MAINTAIN FLEXIBILITY IN THIS MATTER RATHER THAN HAVING A SPECIFIC RESTRICTION OR PROHIBITION SET INTO LAW AS THE RESULT OF CONGRESSIONAL ACTION. CHRISTOPHER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AMENDMENTS, BANKS, US CONGRESSIONAL HEARINGS, TRADE CONTROLS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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